

MINUTES

**BOARD OF DIRECTORS
CITY OF SCOTTSDALE MUNICIPAL PROPERTY CORPORATION
Finance and Accounting Conference Room
One Civic Center
7447 East Indian School Road
Scottsdale, Arizona**

October 6, 2011

Present: Bill Schrader, President
Larry Aungst, Director
Jim Jenkins, Vice President (via telephone)
Fredda Bisman, Treasurer

Absent: Kenneth Harder, Secretary

Staff: Lee Guillory, Finance Manager
Jack Shafer, Assistant City Attorney
David Smith, City Treasurer (Telephonic)
Bruce Washburn, City Attorney

Guests: Scott Ruby, Gust Rosenfeld

1. Call to Order and Roll Call.

President Schrader called the regular meeting of the City of Scottsdale Municipal Property Corporation to order at 8:01 a.m. A formal roll call confirmed the members present as stated above.

2. Old Business:

- a. Approval of Minutes of the January 18, 2011 Board meeting.**

BOARD MEMBER BISMAN MOVED TO APPROVE THE JANUARY 18, 2011 CITY OF SCOTTSDALE MUNICIPAL PROPERTY CORPORATION MEETING MINUTES. BOARD MEMBER AUNGST SECONDED THE MOTION, WHICH CARRIED BY A VOTE OF FOUR (4) TO ZERO (0). BOARD MEMBER HARDER WAS ABSENT.

3. New Business:

- a. Update the Board on the status of its outstanding bond issues and, if advisable, adopt a motion designating the City Treasurer and the City Attorney, or their designees, to act on behalf of the corporation in connection with maintaining compliance with post issuance matters, including governmental reporting and disclosure matters.**

Finance Manager Ms. Lee Guillory stated that the IRS is planning a routine examination of one of the MPC bonds, the 2004 bond to purchase the SkySong land. Mr. Scott Ruby of Gust Rosenfeld discussed the increased scrutiny of municipal entities on the part of the SEC and the IRS. He stressed that the upcoming examination is a routine matter. The request for information is addressed to the Corporation with the understanding that City staff will respond. They have retained a tax lawyer in Washington, DC to help. He explained that they are asking the Board to delegate authority to act to the City Treasurer and City Attorney. In response to a comment by Board Member Aungst, Mr. Ruby explained why he believes there is no cause for undue concern. In further discussion, he said that rent could qualify as private payments, however at this point rent is not being paid. Ms. Guillory interjected that when the SkySong project was being set up it was anticipated that no rent payments would be triggered until after the bonds had been entirely paid off.

BOARD MEMBER AUNGST MADE A MOTION TO AUTHORIZE THE CITY TREASURER OR HIS DESIGNEE OR THE CITY ATTORNEY OR HIS DESIGNEE TO REPRESENT AND ACT FOR THE CORPORATION IN ALL MATTERS PERTAINING TO THE CORPORATION'S TAX EXEMPT BONDS AS MAY BE NECESSARY TO COMPLY ON A CONTINUING BASIS WITH THE INTERNAL REVENUE SERVICE, SECURITIES EXCHANGE COMMISSION, AND OTHER GOVERNMENTAL ENTITIES' REQUESTS, REPORTING REQUIREMENTS, CONTINUING DISCLOSURE REQUIREMENTS AND POST ISSUE COMPLIANCE POLICIES AND MATTERS. BOARD MEMBER BISMAN SECONDED THE MOTION, WHICH CARRIED BY A VOTE OF FOUR (4) TO ZERO (0). BOARD MEMBER HARDER WAS ABSENT.

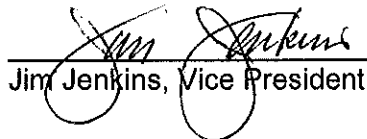
4. Public Comment .

None noted.

5. Adjournment.

With no further business to discuss, being duly moved and seconded, the meeting adjourned at 8:21a.m.

Respectfully submitted,
A/V Tronics, Inc. DBA AVTranz



Jim Jenkins, Vice President



William Schrader, President